

# AMITE COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports  
For the Year Ended September 30, 2010

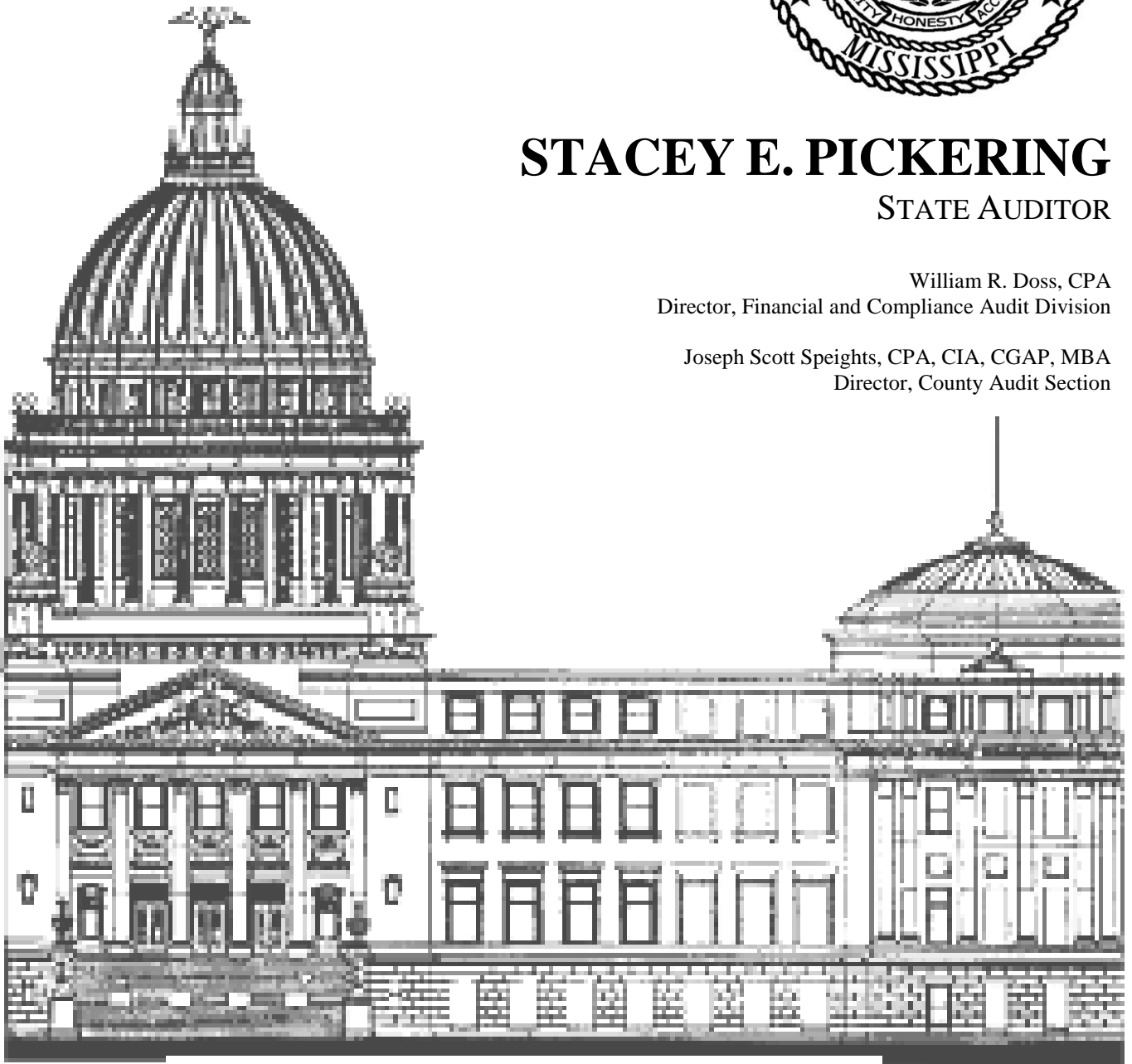


## STACEY E. PICKERING

STATE AUDITOR

William R. Doss, CPA  
Director, Financial and Compliance Audit Division

Joseph Scott Speights, CPA, CIA, CGAP, MBA  
Director, County Audit Section



A Report from the County Audit Section

[www.osa.state.ms.us](http://www.osa.state.ms.us)









**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

September 22, 2011

Members of the Board of Supervisors  
Amite County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2010 financial and compliance audit report for Amite County. This audit was performed pursuant to Section 7-7-211(e), Mississippi Code Ann. (1972). The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

I appreciate the cooperation and courtesy extended by the officials and employees of Amite County throughout the audit. Thank you for working to move Mississippi forward by serving as a supervisor for Amite County. If I or this office can be of any further assistance, please contact me or J. Scott Speights of my staff at (601) 576-2674.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stacey E. Pickering", is written over a horizontal line.

Stacey E. Pickering  
State Auditor



AMITE COUNTY

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AMITE COUNTY

FINANCIAL SECTION

AMITE COUNTY

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**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

**INDEPENDENT AUDITOR'S REPORT**

Members of the Board of Supervisors  
Amite County, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Amite County, Mississippi, as of and for the year ended September 30, 2010, which collectively comprise the county's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the county's management. Our responsibility is to express opinions on these financial statements based on our audit.

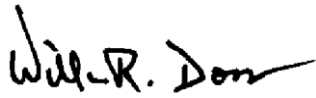
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Amite County, Mississippi, as of September 30, 2010, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2011, on our consideration of Amite County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Amite County, Mississippi, has not presented Management's Discussion and Analysis that is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board.

The Budgetary Comparison Schedule and corresponding notes is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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WILLIAM R. DOSS, CPA  
Director, Financial and Compliance Audit Division

September 22, 2011

AMITE COUNTY

FINANCIAL STATEMENTS

AMITE COUNTY

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AMITE COUNTY  
Statement of Net Assets  
September 30, 2010

Exhibit 1

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
<b>ASSETS</b>			
Cash	\$ 4,565,249	937,745	5,502,994
Property tax receivable	3,027,300		3,027,300
Accounts receivable (net of allowance for uncollectibles of \$221,158)		232,695	232,695
Fines receivable (net of allowance for uncollectibles of \$475,799)	200,683		200,683
Intergovernmental receivables	54,658		54,658
Other receivables	509		509
Internal balances	6,708	(6,708)	
Capital assets:			
Land	114,552	105,547	220,099
Other capital assets, net	3,618,114	394,595	4,012,709
Total Assets	<u>11,587,773</u>	<u>1,663,874</u>	<u>13,251,647</u>
<b>LIABILITIES</b>			
Claims payable	334,332	24,719	359,051
Intergovernmental payables	102,064		102,064
Deferred revenue	3,027,300		3,027,300
Unearned revenue		93,041	93,041
Other payables	27,630		27,630
Long-term liabilities			
Due within one year:			
Capital debt	160,790		160,790
Due in more than one year:			
Capital debt	76,024		76,024
Non-capital debt	30,394	6,411	36,805
Total Liabilities	<u>3,758,534</u>	<u>124,171</u>	<u>3,882,705</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	3,495,852	500,142	3,995,994
Restricted:			
Expendable:			
General government	121,780		121,780
Debt service	569		569
Public safety	404,447		404,447
Public works	1,164,707	1,039,561	2,204,268
Unemployment compensation	82,025		82,025
Other purposes	5,032		5,032
Unrestricted	2,554,827		2,554,827
Total Net Assets	<u>\$ 7,829,239</u>	<u>1,539,703</u>	<u>9,368,942</u>

The notes to the financial statements are an integral part of this statement.

AMITE COUNTY  
Statement of Activities  
For the Year Ended September 30, 2010

Exhibit 2

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Operating	Capital	Primary Government		
Functions/Programs	Expenses	Charges for	Grants and	Grants and	Governmental	Business-type	
		Services	Contributions	Contributions	Activities	Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 1,982,819	621,435	148,620		(1,212,764)		(1,212,764)
Public safety	1,402,689	172,639	94,467	183,656	(951,927)		(951,927)
Public works	2,845,267	358	1,092,945	102,885	(1,649,079)		(1,649,079)
Health and welfare	114,818		14,554		(100,264)		(100,264)
Culture and recreation	92,204				(92,204)		(92,204)
Conservation of natural resources	67,171				(67,171)		(67,171)
Economic development and assistance	12,020				(12,020)		(12,020)
Interest on long-term debt	17,558				(17,558)		(17,558)
Total Governmental Activities	6,534,546	794,432	1,350,586	286,541	(4,102,987)	0	(4,102,987)
Business-type activities:							
Solid Waste	687,954	720,759	41,467	0	0	74,272	74,272
Total Primary Government	\$ 7,222,500	1,515,191	1,392,053	286,541	(4,102,987)	74,272	(4,028,715)
General revenues:							
Property taxes					\$ 3,207,388		3,207,388
Road & bridge privilege taxes					193,237		193,237
Grants and contributions not restricted to specific programs					601,625		601,625
Unrestricted interest income					82,555	13,268	95,823
Miscellaneous					64,369	57,383	121,752
Total General Revenues					4,149,174	70,651	4,219,825
Changes in Net Assets					46,187	144,923	191,110
Net Assets - Beginning					7,769,191	1,394,780	9,163,971
Prior period adjustment					13,861		13,861
Net Assets - Beginning, as restated					7,783,052	1,394,780	9,177,832
Net Assets - Ending					\$ 7,829,239	1,539,703	9,368,942

The notes to the financial statements are an integral part of this statement.



AMITE COUNTY  
Balance Sheet - Governmental Funds  
September 30, 2010

Exhibit 3

	Major Fund	Other	Total
	General	Governmental	Governmental
	Fund	Funds	Funds
ASSETS			
Cash	\$ 2,610,763	1,954,486	4,565,249
Property tax receivable	1,905,300	1,122,000	3,027,300
Fines receivable (net of allowance for uncollectibles of \$475,799)	200,683		200,683
Intergovernmental receivables	54,658		54,658
Other receivables	509		509
Due from other funds	6,708	35,016	41,724
Total Assets	\$ 4,778,621	3,111,502	7,890,123
LIABILITIES AND FUND BALANCES			
Liabilities:			
Claims payable	\$ 144,996	189,336	334,332
Intergovernmental payables	95,508		95,508
Due to other funds	41,572		41,572
Deferred revenue	2,105,983	1,122,000	3,227,983
Other payables	27,630		27,630
Total Liabilities	2,415,689	1,311,336	3,727,025
Fund balances:			
Reserved for:			
Debt service		569	569
Unemployment compensation		82,025	82,025
Unreserved - undesignated, reported in:			
General Fund	2,362,933		2,362,933
Special Revenue Funds		1,717,571	1,717,571
Total Fund Balances	2,362,933	1,800,165	4,163,098
Total Liabilities and Fund Balances	\$ 4,778,622	3,111,501	7,890,123

The notes to the financial statements are an integral part of this statement.

AMITE COUNTY  
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets  
September 30, 2010

Exhibit 3-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 4,163,098
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$6,488,587.	3,732,666
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	200,683
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(267,208)</u>
Total Net Assets - Governmental Activities	\$ <u><u>7,829,239</u></u>

The notes to the financial statements are an integral part of this statement.

## AMITE COUNTY

Exhibit 4

## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the Year Ended September 30, 2010

	Major Fund	Other	Total
	General	Governmental	Governmental
	Fund	Funds	Funds
REVENUES			
Property taxes	\$ 1,997,822	1,209,566	3,207,388
Road and bridge privilege taxes		193,237	193,237
Licenses, commissions and other revenue	133,497	6,489	139,986
Fines and forfeitures	388,199	1,989	390,188
Intergovernmental revenues	795,719	1,443,033	2,238,752
Charges for services	17,773	133,077	150,850
Interest income	50,123	32,435	82,558
Miscellaneous revenues	32,980	31,389	64,369
Total Revenues	3,416,113	3,051,215	6,467,328
EXPENDITURES			
Current:			
General government	1,728,011	118,999	1,847,010
Public safety	1,175,540	223,931	1,399,471
Public works		2,726,570	2,726,570
Health and welfare	114,818		114,818
Culture and recreation	92,204		92,204
Conservation of natural resources	67,171		67,171
Economic development and assistance	12,020		12,020
Debt service:			
Principal	68,499	122,486	190,985
Interest	11,593	8,298	19,891
Total Expenditures	3,269,856	3,200,284	6,470,140
Excess of Revenues over (under) Expenditures	146,257	(149,069)	(2,812)
OTHER FINANCING SOURCES (USES)			
Transfers in	125,335	342,263	467,598
Transfers out	(966)	(466,632)	(467,598)
Total Other Financing Sources and Uses	124,369	(124,369)	
Net Changes in Fund Balances	270,626	(273,438)	(2,812)
Fund Balances - Beginning	2,092,307	2,073,603	4,165,910
Fund Balances - Ending	\$ 2,362,933	1,800,165	4,163,098

The notes to the financial statements are an integral part of this statement.

## AMITE COUNTY

Exhibit 4-1

Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2010

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ (2,812)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net assets differs from the change in fund balances by the amount that capital outlays of \$154,710 were exceeded by depreciation of \$337,446 in the current period.	(182,736)
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net assets differs from the change in fund balances by the amount of the net loss of \$80,791.	(80,791)
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	113,408
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Thus, the change in net assets differs from the change in fund balances by the amount of debt repayments of \$190,985.	190,985
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net assets differs from the change in fund balances by a combination of the following items:	
Decrease in compensated absences	5,800
Decrease in accrued interest payable	<u>2,333</u>
Change in Net Assets of Governmental Activities	\$ <u><u>46,187</u></u>

The notes to the financial statements are an integral part of this statement.

AMITE COUNTY  
Statement of Net Assets - Proprietary Fund  
September 30, 2010

Exhibit 5

	Business-type Activities Enterprise Fund	Solid Waste Services Fund
<b>ASSETS</b>		
Current assets:		
Cash	\$	937,745
Accounts receivable (net of allowance for uncollectibles of \$ 221,158)		232,695
Total Current Assets		1,170,440
Noncurrent assets:		
Capital assets:		
Land		105,547
Other capital assets, net		394,595
Total Noncurrent Assets		500,142
Total Assets		1,670,582
<b>LIABILITIES</b>		
Current liabilities:		
Claims payable		24,719
Due to other funds		6,708
Unearned revenue		93,041
Total Current Liabilities		124,468
Noncurrent liabilities:		
Non-capital debt:		
Compensated absences payable		6,411
Total Noncurrent Liabilities		6,411
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt		500,142
Restricted for public works		1,039,561
Total Net Assets	\$	1,539,703

The notes to the financial statements are an integral part of this statement.

## AMITE COUNTY

Exhibit 6Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Fund  
For the Year Ended September 30, 2010

	Business-type Activities - Enterprise Fund
	<u>Solid Waste Services Fund</u>
Operating Revenues	
Charges for services	\$ 720,759
Miscellaneous	57,383
Total Operating Revenues	<u>778,142</u>
Operating Expenses	
Personal services	308,169
Contractual services	187,613
Materials and supplies	111,599
Depreciation expense	73,865
Indirect administrative cost	6,708
Total Operating Expenses	<u>687,954</u>
Operating Income (Loss)	<u>90,188</u>
Nonoperating Revenues (Expenses)	
Interest income	13,268
Intergovernmental grants	41,467
Net Nonoperating Revenue (Expenses)	<u>54,735</u>
Changes in Net Assets	144,923
Net Assets - Beginning	<u>1,394,780</u>
Net Assets - Ending	\$ <u>1,539,703</u>

The notes to the financial statements are an integral part of this statement.

AMITE COUNTY  
Statement of Cash Flows - Proprietary Fund  
For the Year Ended September 30, 2010

Exhibit 7

	Business-type Activities - Enterprise Fund
	<u>Solid Waste Services Fund</u>
Cash Flows From Operating Activities	
Receipts from customers	\$ 704,107
Payments to suppliers	(292,252)
Payments to employees	(310,667)
Payments to General Fund for indirect costs	(5,616)
Other operating cash receipts	57,383
Net Cash Provided (Used) by Operating Activities	<u>152,955</u>
Cash Flows From Noncapital Financing Activities	
Intergovernmental grants received	41,467
Net Cash Provided (Used) by Noncapital Financing Activities	<u>41,467</u>
Cash Flows From Capital and Related Financing Activities	
Acquisition of capital assets	(99,978)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(99,978)</u>
Cash Flows From Investing Activities	
Interest on deposits	13,268
Net Cash Provided (Used) by Investing Activities	<u>13,268</u>
Net Increase (Decrease) in Cash and Cash Equivalents	107,712
Cash and Cash Equivalents at Beginning of Year	<u>830,033</u>
Cash and Cash Equivalents at End of Year	<u>\$ 937,745</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ 90,188
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	73,865
Provision for uncollectible accounts	21,815
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(39,297)
Increase (decrease) in claims payable	3,446
Increase (decrease) in compensated absences liability	1,016
Increase (decrease) in unearned revenue	830
Increase (decrease) in interfund payables	1,092
Total Adjustments	<u>62,767</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 152,955</u>

The notes to the financial statements are an integral part of this statement.

AMITE COUNTY  
Statement of Fiduciary Assets and Liabilities  
September 30, 2010

Exhibit 8

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 44,346
Due from other funds	<u>6,556</u>
Total Assets	<u>\$ 50,902</u>
LIABILITIES	
Intergovernmental payables	\$ <u>50,902</u>
Total Liabilities	<u>\$ 50,902</u>

The notes to the financial statements are an integral part of this statement.



## AMITE COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2010

#### (1) Summary of Significant Accounting Policies.

##### A. Financial Reporting Entity.

Amite County is a political subdivision of the State of Mississippi. The county is governed by an elected five-member Board of Supervisors. Accounting principles generally accepted in the United States of America require Amite County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the county. There are no outside organizations that should be included as component units of the county's reporting entity.

State law pertaining to county government provides for the independent election of county officials. The following elected and appointed officials are all part of the county legal entity and therefore are reported as part of the primary government financial statements.

- Board of Supervisors
- Chancery Clerk
- Circuit Clerk
- Justice Court Clerk
- Purchase Clerk
- Tax Assessor-Collector
- Sheriff

##### B. Basis of Presentation.

The county's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, fund financial statements and accompanying note disclosures which provide a detailed level of financial information.

##### Government-wide Financial Statements:

The Statement of Net Assets and Statement of Activities display information concerning the county as a whole. The statements include all nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support.

The Statement of Net Assets presents the financial condition of the governmental activities and business-type activities of the county at year-end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the county's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenues not classified as program revenues, are presented as general revenues of the county, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business-type activities or governmental function is self-financing or draws from the general revenues of the county.

## AMITE COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2010

#### Fund Financial Statements:

Fund financial statements of the county are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into governmental, proprietary and fiduciary. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

#### C. Measurement Focus and Basis of Accounting.

The Government-wide, Proprietary Funds and Fiduciary Funds (excluding agency funds) financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the county. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied. Agency funds have no measurement focus, but use the accrual basis of accounting.

The county's Proprietary Funds apply all applicable Governmental Accounting Standards Board (GASB) pronouncements and only the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

The revenues and expenses of Proprietary Funds are classified as operating or nonoperating. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's primary operations. All other revenues and expenses are reported as nonoperating.

Governmental financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Available means collected in the current period or within 60 days after year end to liquidate liabilities existing at the end of the year. Measurable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities are incurred. Debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Property taxes, state appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

The county reports the following major Governmental Fund:

General Fund - This fund is used to account for all activities of the general government for which a separate fund has not been established.

The county reports the following major Proprietary Fund:

Solid Waste Services Fund - This fund is used to account for the county's activities of disposal of solid waste within the county.

## AMITE COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2010

Additionally, the county reports the following fund types:

#### GOVERNMENTAL FUND TYPES

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Special Revenue Funds account for, among others, certain federal grant programs, taxes levied with statutorily defined distributions and other resources restricted as to purpose.

Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

#### PROPRIETARY FUND TYPE

Enterprise Funds - These funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the county has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability.

#### FIDUCIARY FUND TYPE

Agency Funds - These funds account for various taxes, deposits and other monies collected or held by the county, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

#### D. Account Classifications.

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2005 by the Government Finance Officers Association.

#### E. Deposits and Investments.

State law authorizes the county to invest in interest bearing time certificates of deposit for periods of fourteen days to one year with depositories and in obligations of the U.S. Treasury, State of Mississippi, or any county, municipality or school district of this state. Further, the county may invest in certain repurchase agreements.

Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value. However, the county did not invest in any governmental securities during the fiscal year.

#### F. Receivables.

Receivables are reported net of allowances for uncollectible accounts, where applicable.

#### G. Interfund Transactions and Balances.

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

# AMITE COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2010

### H. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the (applicable) governmental or business-type activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets, other than infrastructure, costs have been estimated and the methods of estimation are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

Governmental accounting and financial reporting standards allow governments meeting certain criteria to elect not to report major general infrastructure assets retroactively. Amite County meets this criteria and has so elected. Therefore, the major general infrastructure assets acquired prior to October 1, 2002, are not reported in the government-wide financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2002.

Capital assets acquired or constructed for Proprietary Fund operations are capitalized at cost in the respective funds in which they are utilized. No interest is capitalized on self-constructed assets because noncapitalization of interest does not have a material effect on the county's financial statements. Donated capital assets are recorded at their fair value at the time of donation.

Capitalization thresholds (dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives are used to report capital assets in the government-wide statements and Proprietary Funds. Depreciation is calculated on the straight-line basis for all assets, except land. A full year's depreciation expense is taken for all purchases and sales of capital assets during the year. The following schedule details those thresholds and estimated useful lives:

	<u>Capitalization Thresholds</u>	<u>Estimated Useful Life</u>
Land	\$ 0	N/A
Infrastructure	0	20-50 years
Buildings	50,000	40 years
Mobile equipment	5,000	5-10 years
Furniture and equipment	5,000	3-7 years
Leased property under capital leases	*	*

\* Leased property capitalization policy and estimated useful life will correspond with the amounts for the asset classification, as listed above.

### I. Long-term Liabilities.

Long-term liabilities are the unmatured principal of bonds, loans, notes or other forms of noncurrent or long-term general obligation indebtedness. Long-term liabilities are not limited to liabilities from debt issuances, but may also include liabilities on lease-purchase agreements and other commitments.

In the government-wide financial statements and in the Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or Proprietary Funds - Statement of Net Assets.

## AMITE COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2010

#### J. Equity Classifications.

##### Government-wide Financial Statements:

Equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.

Restricted net assets - Consists of net assets with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net assets - All other net assets not meeting the definition of "restricted" or "invested in capital assets, net of related debt."

##### Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is classified as reserved or unreserved with unreserved classified as designated and undesignated.

Unreserved fund balance represents the amount available for budgeting future operations. Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose.

#### K. Property Tax Revenues.

Numerous statutes exist under which the Board of Supervisors may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the county. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

The Board of Supervisors, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase.

Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measurable and available. All property taxes are recognized as revenue in the year for which they are levied. Motor vehicle and mobile home taxes do not meet the measurability and collectibility criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

#### L. Intergovernmental Revenues in Governmental Funds.

Intergovernmental revenues, consisting of grants, entitlements and shared revenues, are usually recorded in Governmental Funds when measurable and available. However, the "available" criterion applies for certain federal grants and shared revenues when the expenditure is made because expenditure is the prime factor for determining eligibility. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

# AMITE COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2010

### M. Compensated Absences.

The county has adopted a policy of compensation for accumulated unpaid employee personal leave. No payment is authorized for accrued major medical leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities in the government-wide financial statements and Proprietary Funds financial statements. In fund financial statements, Governmental Funds report the compensated absence liability payable only if the payable has matured, for example an employee resigns or retires.

### (2) Prior Period Adjustment.

Exhibit 2 - Statement of Activities.

Explanation	Amount
The adjustment is to correct an error in the recording of prior year capital assets – Governmental Activities	\$ <u>13,861</u>

### (3) Deposits.

The carrying amount of the county's total deposits with financial institutions at September 30, 2010, was \$5,547,340, and the bank balance was \$5,643,546. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

**Custodial Credit Risk - Deposits.** Custodial credit risk is the risk that in the event of the failure of a financial institution, the county will not be able to recover deposits or collateral securities that are in the possession of an outside party. The county does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the county. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the county.

### (4) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2010:

#### A. Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Solid Waste	\$ 6,708
Other Governmental Funds	General Fund	35,016
Agency Funds	General Fund	<u>6,556</u>
Total		\$ <u>48,280</u>

The Solid Waste Services Fund payable is the indirect administrative cost incurred during the year. All other receivables represent the tax revenue collected but not settled until October, 2010. All interfund balances are expected to be repaid within one year from the date of the financial statements.

AMITE COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2010

B. Transfers In/Out:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	125,335
Other Governmental Funds	Other Governmental Funds	341,297
Other Governmental Funds	General Fund	966
Total		<u>\$ 467,598</u>

The principal purpose of interfund transfers was to provide funds for grant matches or to provide funds to pay for capital outlay. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

(5) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2010, consisted of the following:

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Legislative tax credit	<u>\$ 54,658</u>

(6) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2010:

Governmental activities:

	<u>Balance</u> <u>Oct. 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments*</u>	<u>Balance</u> <u>Sept. 30, 2010</u>
<u>Non-depreciable capital assets:</u>					
Land	\$ 114,552				114,552
Total non-depreciable capital assets	<u>114,552</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>114,552</u>
<u>Depreciable capital assets:</u>					
Infrastructure	898,505				898,505
Buildings	2,323,263				2,323,263
Mobile equipment	5,130,582	144,258	82,765		5,192,075
Furniture and equipment	795,154	10,452	57,700	5,400	753,306
Leased property under capital leases	<u>939,552</u>				<u>939,552</u>
Total depreciable capital assets	<u>10,087,056</u>	<u>154,710</u>	<u>140,465</u>	<u>5,400</u>	<u>10,106,701</u>
<u>Less accumulated depreciation for:</u>					
Infrastructure	189,345	31,499			220,844
Buildings	1,223,267	35,267			1,258,534

AMITE COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2010

	Balance Oct. 1, 2009	Additions	Deletions	Adjustments*	Balance Sept. 30, 2010
Mobile equipment	4,145,379	188,829	49,288		4,284,920
Furniture and equipment	442,545	55,156	10,386	(8,461)	478,854
Leased property under capital leases	218,740	26,695			245,435
Total accumulated depreciation	6,219,276	337,446	59,674	(8,461)	6,488,587
Total depreciable capital assets, net	3,867,780	(182,736)	80,791	13,861	3,618,114
Governmental activities capital assets, net	\$ 3,982,332	(182,736)	80,791	13,861	3,732,666
Business-type activities:					
	Balance Oct. 1, 2009	Additions	Deletions	Adjustments	Balance Sept. 30, 2010
<u>Non-depreciable capital assets:</u>					
Land	\$ 105,547				105,547
Total non-depreciable capital assets	105,547	0	0	0	105,547
<u>Depreciable capital assets:</u>					
Infrastructure					
Buildings	284,408				284,408
Mobile equipment	574,897	99,978			674,875
Furniture and equipment	118,194				118,194
Total depreciable capital assets	977,499	99,978	0	0	1,077,477
<u>Less accumulated depreciation for:</u>					
Buildings	102,421	5,690			108,111
Mobile equipment	400,222	68,175			468,397
Furniture and equipment	106,374				106,374
Total accumulated depreciation	609,017	73,865	0	0	682,882
Total depreciable capital assets, net	368,482	26,113	0	0	394,595
Business-type activities capital assets, net	\$ 474,029	26,113	0	0	500,142

\* The adjustment to furniture and equipment consists of prior year error corrections.



# AMITE COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2010

Depreciation expense was charged to the following functions:

	Amount
Governmental Activities:	
General government	\$ 60,162
Public safety	105,864
Public works	171,420
	<hr/>
Total governmental activities depreciation expense	\$ 337,446
	<hr/>
Business-type Activities:	
Solid waste	\$ 73,865
	<hr/>

### (7) Claims and Judgments.

Risk Financing.

The county finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The county pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2010, to January 1, 2011. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

### (8) Capital Leases.

As Lessee:

The county is obligated for the following capital assets acquired through capital leases as of September 30, 2010:

Classes of Property	Governmental Activities
	<hr/>
Mobile equipment	\$ 112,868
Buildings	826,684
	<hr/>
Total	939,552
Less: Accumulated depreciation	245,435
	<hr/>
Leased Property Under Capital Leases	\$ 694,117
	<hr/>

# AMITE COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2010

The following is a schedule by years of the total payments due as of September 30, 2010:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 124,254	9,100
2012	76,024	4,068
Total	<u>\$ 200,278</u>	<u>13,168</u>

### (9) Long-term Debt.

Debt outstanding as of September 30, 2010, consisted of the following:

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>
Governmental Activities:			
A. Capital Leases:			
Adult Detention Center	\$ 148,188	5.35%	11/2011
2 dump trucks	52,090	3.64%	06/2011
Total Capital Leases	<u>\$ 200,278</u>		
B. Other Loans:			
Cap loan – fire trucks	<u>\$ 36,536</u>	2.00%	08/2011

Governmental Activities:

<u>Year Ending September 30</u>	<u>Other Loans</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 36,536	2,340

Legal Debt Margin - The amount of debt, excluding specific exempted debt, that can be incurred by the county is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the county, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the county. As of September 30, 2010, the amount of outstanding debt was equal to less than 1.00% of the latest property assessments.

# AMITE COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2010

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2010:

	Balance Oct. 1, 2009	Additions	Reductions	Adjustments	Balance Sept. 30, 2010	Amount due within one year
Governmental Activities:						
Compensated absences	\$ 36,194		5,800		30,394	
General obligation bonds	50,000		50,000		0	
Capital leases	295,457		95,179		200,278	124,254
Other loans	82,342		45,806		36,536	36,536
Total	\$ 463,993	0	196,785	0	267,208	160,790
Business-type Activities:						
Compensated absences	\$ 5,395	1,016			6,411	

Compensated absences will be paid from the funds from which the employees' salaries were paid which are generally the General Fund, Road Maintenance Fund, Central Repair Fund and Solid Waste Fund.

### (10) Deficit Fund Balances of Individual Funds.

The following fund reported a deficit in fund balance or net assets at September 30, 2010:

Fund	Deficit Amount
Central Repair Fund	\$ 26,735

### (11) Contingencies.

Federal Grants - The county has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the county. No provision for any liability that may result has been recognized in the county's financial statements.

Litigation - The county is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the county with respect to the various proceedings. However, the county's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the county.

### (12) Joint Ventures.

The county participates in the following joint ventures:

Amite County is a participant with the Counties of Pike and Walthall in a joint venture, authorized by Section 39-3-11, Miss. Code Ann. (1972), to operate the Pike-Amite-Walthall Regional Library System. The joint venture was created to provide library service for the three counties and is governed by five board members. The Counties of Amite and Pike appoint two board members each and Walthall County appoints one board member. By contractual agreement, the county's appropriation to the joint venture was \$91,904 in fiscal year 2010. Complete financial statements for the Pike-Amite-Walthall Regional Library System can be obtained from 1022 Virginia Avenue, McComb, MS 39648.

## AMITE COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2010

Amite County is a participant with Pike County and the City of McComb in a joint venture, authorized by Section 41-13-15, Miss. Code Ann. (1972), to operate the Southwest Mississippi Regional Medical Center. The joint venture was created to provide medical services for the residents of the local area and is governed by seven board members. Amite County appoints one board member, while Pike County and the City of McComb appoint two members individually and jointly they appoint two members. The hospital is basically self-supporting. However, the counties and city have the power to approve or disapprove the hospital's budget and are authorized to levy taxes for the maintenance and operation of the hospital. Complete financial statements for the Southwest Mississippi Regional Medical Center can be obtained from 215 Marion Avenue, McComb, MS 39648.

Amite County is a participant with Wilkinson County in a joint venture, authorized by Section 41-13-15, Miss. Code Ann. (1972), to operate the Field Memorial Community Hospital. The joint venture was created to provide medical services for the residents of the local area and is governed by five board members. Amite County appoints two board members, while Wilkinson County appoints three members. The hospital is basically self-supporting. However, the counties have the power to approve or disapprove the hospital's budget and are authorized to levy taxes for the maintenance and operation of the hospital. Complete financial statements for the Field Memorial Community Hospital can be obtained from 270 West Main Street, Centerville, MS 39631.

#### (13) Jointly Governed Organizations.

The county participates in the following jointly governed organizations:

Southwest Mississippi Planning and Development District operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The Amite County Board of Supervisors appoints four of the 40 members of the board of directors. The county contributes a small percentage of the district's total revenue. The county appropriated \$30,689 for support of the district in fiscal year 2010.

Southwest Mississippi Mental Health Complex operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The Amite County Board of Supervisors appoints one of the ten members of the board of commissioners. The county appropriated \$24,800 for its support in fiscal year 2010.

Southwest Mississippi Community College operates in a district composed of the Counties of Amite, Pike, Walthall and Wilkinson. The Amite County Board of Supervisors appoints three of the 14 members of the college board of trustees. The county appropriated \$395,337 for the operation and maintenance of the college in fiscal year 2010.

Southwest Mississippi Partnership operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The entity is governed by ten members, appointed by each county's lead industrial foundation or chamber of commerce. If no industrial foundation or chamber of commerce is present, the member is appointed by the county's Board of Supervisors. The county appropriated \$2,720 for its support in fiscal year 2010.

#### (14) Defined Benefit Pension Plan.

Plan Description. Amite County, Mississippi, contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

## AMITE COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2010

Funding Policy. At September 30, 2010, PERS members were required to contribute 9% of their annual covered salary, and the county is required to contribute at an actuarially determined rate. The rate at September 30, 2010 was 12% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The county's contributions (employer share only) to PERS for the years ending September 30, 2010, 2009 and 2008 were \$233,924, \$218,601 and \$202,987, respectively, equal to the required contributions for each year.

AMITE COUNTY

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AMITE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

AMITE COUNTY  
Budgetary Comparison Schedule -  
Budget and Actual (Non-GAAP Basis)  
General Fund  
For the Year Ended September 30, 2010

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 1,971,500	1,997,491	1,997,491	
Road and bridge privilege taxes				
Licenses, commissions and other revenue	90,000	133,687	133,687	
Fines and forfeitures	150,000	388,200	388,200	
Intergovernmental revenues	480,000	795,719	795,719	
Charges for services	15,000	17,773	17,773	
Interest income	66,000	49,402	49,319	(83)
Miscellaneous revenues	30,000	32,997	32,997	
Total Revenues	<u>2,802,500</u>	<u>3,415,269</u>	<u>3,415,186</u>	<u>(83)</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,884,200	1,762,931	1,762,931	
Public safety	1,125,500	1,172,942	1,172,942	
Health and welfare	112,230	107,085	114,585	(7,500)
Education	92,204	92,204	92,204	
Conservation of natural resources	73,025	67,438	67,438	
Economic development and assistance	17,159	19,520	12,020	7,500
Debt service:				
Principal	81,000	68,499	68,499	
Interest		11,593	11,593	
Total Expenditures	<u>3,385,318</u>	<u>3,302,212</u>	<u>3,302,212</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(582,818)</u>	<u>113,057</u>	<u>112,974</u>	<u>(83)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Compensation for loss of capital assets			2,116	2,116
Transfers in			130,951	130,951
Other financing sources	425,000	133,067		(133,067)
Other financing uses	(300,000)			
Total Other Financing Sources and Uses	<u>125,000</u>	<u>133,067</u>	<u>133,067</u>	<u>0</u>
Net Change in Fund Balance	(457,818)	246,124	246,041	(83)
Fund Balances - Beginning	<u>2,160,000</u>	<u>2,207,167</u>	<u>2,207,167</u>	
Fund Balances - Ending	<u>\$ 1,702,182</u>	<u>2,453,291</u>	<u>2,453,208</u>	<u>(83)</u>

The accompanying notes to the Required Supplementary Information are an integral part of this statement.



# AMITE COUNTY

## Notes to the Required Supplementary Information For the Year Ended September 30, 2010

### A. Budgetary Information.

Statutory requirements dictate how and when the county's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the county, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and the Tax Assessor-Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

The county's budget is prepared principally on the cash basis of accounting. All appropriations lapse at year end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

### B. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary (Non-GAAP Basis) and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and each major Special Revenue Fund. The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) is a part of required supplemental information.

### C. Budget/GAAP Reconciliation.

The major differences between the budgetary basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles the budgetary basis schedules to the GAAP basis financial statements for the General Fund:

		Governmental Fund Type
		General Fund
Budget (Cash Basis)	\$	246,041
Increase (Decrease)		
Net adjustments for revenue accruals		(6,803)
Net adjustments for expenditure accruals		31,388
GAAP Basis	\$	270,626

AMITE COUNTY

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## AMITE COUNTY

## SPECIAL REPORTS

AMITE COUNTY

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**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE  
FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of the Board of Supervisors  
Amite County, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Amite County, Mississippi, as of and for the year ended September 30, 2010, which collectively comprise the county's basic financial statements and have issued our report thereon dated September 22, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Amite County, Mississippi's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the county's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the county's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the Schedule of Findings and Responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.


A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as 10-1 and 10-2 to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Amite County, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Amite County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. We did not audit Amite County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Supervisors, others within the entity, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Will R. Doss". The signature is written in a cursive, flowing style.

WILLIAM R. DOSS, CPA  
Director, Financial and Compliance Audit Division

September 22, 2011



**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

**INDEPENDENT AUDITOR'S REPORT ON CENTRAL PURCHASING SYSTEM,  
INVENTORY CONTROL SYSTEM AND PURCHASE CLERK SCHEDULES  
(REQUIRED BY SECTION 31-7-115, MISS. CODE ANN. (1972))**

Members of the Board of Supervisors  
Amite County, Mississippi

We have examined Amite County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Sections 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2010. The Board of Supervisors of Amite County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

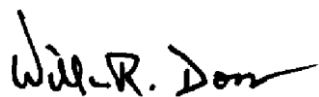
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Amite County, Mississippi, has established central purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

Because of inherent limitations in any central purchasing system and inventory control system, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

In our opinion, Amite County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements.

The accompanying schedules of (1) Purchases Not Made from the Lowest Bidder, (2) Emergency Purchases and (3) Purchases Made Noncompetitively from a Sole Source are presented in accordance with Section 31-7-115, Miss. Code Ann. (1972). The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination of the purchasing system and, in our opinion, is fairly presented when considered in relation to that examination.

This report is intended for use in evaluating the central purchasing system and inventory control system of Amite County, Mississippi, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record and its distribution is not limited.

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WILLIAM R. DOSS, CPA  
Director, Financial and Compliance Audit Division

September 22, 2011



AMITE COUNTY  
Schedule of Purchases Not Made From the Lowest Bidder  
For the Year Ended September 30, 2010

Schedule 1

Our test results did not identify any purchases from other than the lowest bidder.

AMITE COUNTY  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2010

Schedule 2

Our test results did not identify any emergency purchases.

## AMITE COUNTY

Schedule 3Schedule of Purchases Made Noncompetitively From a Sole Source  
For the Year Ended September 30, 2010

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
6/10/2010	Delta software	\$ 29,856	Delta Computer Systems

AMITE COUNTY

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**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

**LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT**

Members of the Board of Supervisors  
Amite County, Mississippi

In planning and performing our audit of the financial statements of Amite County, Mississippi for the year ended September 30, 2010, we considered Amite County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to Amite County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the county's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated September 22, 2011, on the financial statements of Amite County, Mississippi.

Although no findings came to our attention as a result of these review procedures and compliance tests, these procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of the internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

This report is intended solely for the information and use of management, the Board of Supervisors, and others within the entity and is not intended to be and should not be used by anyone other than these parties. However, this report is a matter of public record and its distribution is not limited.

WILLIAM R. DOSS, CPA  
Director, Financial and Compliance Audit Division

September 22, 2011

AMITE COUNTY

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AMITE COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

AMITE COUNTY

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AMITE COUNTY

Schedule of Findings and Responses  
For the Year Ended September 30, 2010

Section 1: Summary of Auditor's Results

***Financial Statements:***

- |    |  |               |
|----|--|---------------|
| 1. | Type of auditor's report issued on the financial statements:                           | Unqualified   |
| 2. | Internal control over financial reporting:   |               |
| a. | Material weaknesses identified?  | Yes           |
| b. | Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 3. | Noncompliance material to the financial statements noted?                              | No            |

Section 2: Financial Statement Findings

Board of Supervisors.

Significant Deficiency – Material Weakness

Financial Statements should have been prepared by the county.

10-1. Finding

A critical aspect of effective financial management is the preparation of accurate financial statements. Management did not have personnel that possessed the necessary skills and training to prepare financial statements in accordance with generally accepted accounting principles. Due to the fact that county personnel lacked the necessary skills and training to apply generally accepted accounting principles in preparing its financial statements, the risk increased that inaccurate information may be reported.

Recommendation

The Board of Supervisors should establish adequate controls and procedures to ensure that financial statements are presented and disclosed in accordance with generally accepted accounting principles.

Board of Supervisors' Response

We will do our best to comply with your recommendation.

AMITE COUNTY

Schedule of Findings and Responses  
For the Year Ended September 30, 2010

Justice Court Clerk.

Significant Deficiency – Material Weakness

Justice Court Clerk should maintain fines receivable listing.

10-2. Finding

An effective system of internal controls over fines receivables should include assurance that all fines due to the county are booked as a receivable at year-end. It was noted that in the past the fines receivables did not include all fines due to the county. In the past many inactive accounts were excluded. Failure to properly include all fines receivables at year end could result in erroneous amounts being reported in the financial statements.

Recommendation

The county should ensure that all fines receivables are booked in the financial statements.

Justice Court Clerk's Response

I will comply.